



County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 24, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SENIOR NUTRITION PROGRAM

On June 18, 2007, on a motion by Supervisor Antonovich, your Board instructed the Chief Executive Officer (CEO) to report back with a plan to address issues within the senior meal program on a Countywide basis and to work with Federal and State advocates to provide cost of doing business adjustments that will eliminate the nutrition program waiting list. In addition, on August 14, 2007, on motion by Supervisor Knabe, your Board further instructed the CEO to provide the plan by August 20, 2007, and that the plan additionally examine and provide recommendations to resolve the complex fiscal and contracting issues that surround administration of the senior meal program. The CEO was further instructed to develop a stakeholder process that includes input from the senior meal service providers, to review the senior nutrition program plan, monitor its progress, and provide input on a periodic basis.

Background

The Older Americans Act (OAA) is the funding source for the Area Agency on Aging (AAA) nutrition program for seniors. State and Federal funding for nutrition programs has not increased significantly during the last five years. Unlike the Supplemental Security Income/State Supplementary Payment (SSI/SSP) Program, that provides cash assistance to poor persons who are aged, blind, or disabled on an open-ended entitlement basis with an annual cost-of-living adjustment (COLA), OAA programs are subject to annual appropriations. Federal OAA funds are allocated to State and AAA's pursuant to Federal allocation formulas while State funds are allocated pursuant to a statutory State formula. Before the start of each fiscal year, each AAA receives a

planning estimate of its annual allocation before receiving final allocations, which includes one-time only adjustments in the middle of the fiscal year.

The cost to provide meals has significantly increased in recent years. The dramatic increases in the cost of food and labor, along with the increase in the cost of gasoline and utilities, have contributed to the present situation. The Community and Senior Services Department (CSS) administer both the Congregate and Home Delivered meal programs. These programs are available to all seniors regardless of income, although most participants are low income and ethnic minority seniors. Meals are free, but donations are encouraged.

The cost of the nutrition program is \$21.1 million. Seniors contribute about \$3.0 million and senior meal service providers provide cash and in-kind contributions of about \$7.5 million. The remaining \$10.6 million is covered by State and Federal dollars. There is no net County cost for these programs.

Congregate Meals

Los Angeles County serves approximately 1.3 million meals each year at about 110 sites throughout the County. Sites include senior centers, churches and senior housing complexes. Seniors over 60 years of age can make reservations or simply drop in at the site. Meals are served hot and in some instances ethnic meals are available. The suggested donation is \$2.00 per meal. Most seniors only contribute from \$ 0.50 cents to \$1.50 per meal. The County pays service providers various rates depending on the type of meal served. The average cost per meal is between \$2.21 to \$3.85 for "American style" and \$4.00 to \$6.00 for "ethnic style" meals. The payments do not cover the total cost of the meal. Service providers cover their costs with donations from seniors, contributions from cities, and their own fund raising or grant writing efforts. The current rate paid to service providers is based on a Request for Proposal solicitation completed in 2002.

Home Delivered Meals

Los Angeles County serves around 800,000 meals per year to seniors 60 years and older who are home bound. CSS has roughly 130 routes throughout the County. Seniors normally get on the distribution list by calling a service provider. Often, family members, caregivers, Adult Protection Services social workers or hospital discharge planners call to request the service. The program has an average of 600 seniors on waiting lists per month. Service providers are required to validate eligibility

circumstances four times a year. The names and number of seniors on waiting lists changes from day to day. Seniors remain on the meal delivery list until one of the following occurs: health improves, senior moves to another location or the senior passes away. Two types of meals are available. Hot meals are delivered five days a week. Frozen meals are distributed on a weekly basis. The County reimburses service providers from \$3.30 to \$4.75 for a hot meal and \$3.19 to \$3.30 for a frozen meal. Service providers state that the cost for preparation and delivery of meals range from \$7.00 to \$12.00 per meal.

Waiting Lists

According to a CSS survey conducted in April 2007, there are about 600 seniors on waiting lists for home-delivered meals. Seniors are placed on a waiting list if the service provider does not have enough meals available. Seniors are normally assessed to determine acute risk. High risk clients are served first. In instances in which a service provider identifies a new client as a high risk, the provider will serve the client hopeful of reimbursement at a later time. This practice is called "over-service." In the past, CSS has used part of the one-time only allocations that they receive from the State each year to reimburse service providers for their over-service costs.

As seniors are moved from the waiting lists to receive services, new seniors call to request meals. The need for home delivered meals is expected to grow as the population continues to age.

Plan to address Senior Meals

CSS is projecting a \$3.0 million fund balance at the close of FY 2006-07, and has asked to use \$782,000 for the nutrition program to maintain the current service levels and address the current waiting list issue.

In addition, CSS was recently notified by the California Department of Aging that an additional \$850,000 in one-time funds would be made available for the nutrition services program in FY 2007-08. CSS plans to earmark \$500,000 for critically needed equipment, vehicles and hot shots used by service providers to deliver food to homebound seniors. The remaining \$350,000 will be set-aside to cover gaps in meal service and to address costs of doing business adjustments for service providers. This plan is consistent with the State and County policy to use one-time funds for one-time expenditures.

The two-step plan outlined above addresses the current fiscal year funding gap and will be considered during the upcoming Supplemental budget process.

Legislative Advocacy

At the Federal level, OAA nutrition programs are funded through the annual Labor, Health and Human Services, and Education appropriations bill. For the upcoming Federal Fiscal Year (FFY) 2008, the House version of the bill increases overall OAA nutrition funding by \$24 million, while the Senate version increases funding by a total of \$39 million. Support for increased OAA funding is one of the County's funding priorities for this appropriations bill pursuant to the County's Federal Legislative Agenda. Our Washington, D.C., advocates will send letters and work with our delegation urging Congress to increase OAA nutrition funding commensurate with the higher cost of providing meals.

In addition, the CEO is in the process of developing the County's State Legislative Agenda for next year, and it will include language to seek increased funding for the Senior Nutrition Program through the State Budget process, changes in statute, and/or allocation formula changes.

Contracting Issues

CSS has 14 programs and 70 AAA contracts that require about 200 separate contract documents each year. The senior program element has multiple funding streams designed to encompass an array of services to meet the needs of the senior population. Each contract is complex and different for each agency based upon the type of program and service provided. CSS has three program staff and nine contract analysts to support this heavy workload. CSS reports significant turnover in their contracting staff and problems with retaining knowledgeable and experienced staff.

The CEO, along with CSS, has looked at several options to streamline the contracting process. Many of these options may require changes in the way CSS currently conducts business, as well as changes in County policy.

1. Review County's Requirements for Non-Profit Community Based Agencies:
Many of the non-profit agencies are small and do not have the contract sophistication of large, for profit organizations. More contract training workshops should be made available to non-profit agencies.

2. Term of Contracts: CSS currently administers one-year contracts with senior meal service providers. We will work with CSS and County Counsel to consider releasing longer term contracts that are subject to annual funding allocations. This would eliminate much of the recent problems with vendor payments at the beginning of each fiscal year and would drastically reduce the number of contract amendments.
3. Automation of Complex Financial Forms: In the AAA program, there are various sources of funding, as well as multiple programs. Each contract agency is required to complete detailed budget information. Many service providers have limited staff resources and have experienced trouble completing the various required forms. CSS contract staff is often required to walk the agencies through the forms and facilitate multiple revisions to the documents. This has been quite a time consuming process for both CSS and service providers, resulting in delays in the contracting and payment process. CSS has made the automation and simplification of its financial forms and other contract related materials one of its top priorities. CSS will have financial forms and contract relate documents automated by May 2008, in time for the next contracting cycle.
4. Legal Review of Contracts: County Counsel plays a key role in the review and approval of the two hundred or so contract documents. The time to complete the review of each contract document is often extended when the document requires significant revision. We will work with County Counsel to identify areas where the contracting process can be refined and possible areas for enhanced training in contract writing.

Stakeholder Process

CEO is currently working with CSS to establish the stakeholder review process. CSS has begun scheduling initial meetings with service providers in September and October to seek their input on how to simplify the senior nutrition contract process. In addition, CSS plans to host quarterly and/or as needed meetings to ensure that all stakeholders are fully briefed on the process and are allowed to share their views on the contracting process as improvements to the process are introduced. We plan to report back to your Board after the initial stakeholder meetings are completed.

These are a few of the areas that my office, County Counsel and CSS will continue to work on collaboratively with stakeholders. Our main objective is to refine and improve

Each Supervisor
August 24, 2007
Page 6

the existing process in order to ensure a streamlined contracting process and an efficiently managed Countywide senior meal program.

If you have any questions or need additional information please, contact Rosemary Gutierrez at (213) 974-0564 or via email at rgutierrez@ceo.lacounty.gov.

WTF: SRH:BY
GP:RMG:lbm

c: Executive Officer, Board of Supervisors
County Counsel
Director, Department of Community and Senior Services

Senior Nutrition Program.bm